

Subdivision Name: _____

MODERATELY PRICED DWELLING UNITS

DECLARATION OF COVENANTS

FOR SALE SUBDIVISIONS

THIS DECLARATION OF COVENANTS, made this ____ day of _____, 20____, hereinafter set forth by _____, owner (hereinafter referred to as "Declarant").

NOW, THEREFORE, Declarant hereby declares that all of the properties described hereinafter shall be held, sold and conveyed subject to the following covenants, conditions, and restrictions:

ARTICLE I

Declarant is the owner of all of the property set forth and described in the list attached hereto and made a part hereof as Exhibit A. The properties are the subject of this Declaration of Covenants, and are hereinafter referred to as the Moderately Priced Dwelling Units (MPDUs).

ARTICLE II

For a period of thirty years beginning on the date of recordation of the deed from the Declarant to the initial purchaser of an MPDU, or such other period as established by law, (the "Control Period"), the MPDUs and the improvements thereon and those that may subsequently be made to the MPDUs must not be sold or the mortgage or deed of trust note refinanced for an amount in excess of the maximum sales price established in accordance with Chapter 25A of the Montgomery County Code, 2004, as amended, and all applicable Executive Regulations. Closing costs, improvements and brokerage fees are defined and assessed in accordance with the terms of Chapter 25A and regulations adopted pursuant thereto. The resale price calculation for the MPDUs will be made in accordance with the change in the cost of living as measured by the Consumer Price Index (CPI-U for the Washington Metropolitan Area) published by the U. S. Department of Labor. If an MPDU is sold during the Control Period, the provisions contained in these covenants will be effective for an additional thirty years from the date of the subsequent sale of an MPDU; further, the thirty year Control Period will be renewed each and every time an MPDU is sold during the Control Period. MPDUs offered for resale during the Control Period must first be offered exclusively for 60 days to the Department of Housing and Community Affairs and to the Housing Opportunities Commission.

ARTICLE III

For the first sale of the MPDUs after the expiration of the Control Period referred to in Article, II, the seller of the MPDU as a condition of transferring good title, must make a payment to the Housing Initiative Fund in accordance with the provisions contained in Chapter 25A of the Montgomery County Code, 2004, as amended, and all applicable Executive Regulations. After the required payment has been received by the Montgomery County Department of Finance, the restrictions contained in these Covenants will be released. The Housing Opportunities Commission of Montgomery County and other housing development agencies or non-profit corporations approved by the County Executive are exempt from this provision of the Covenants.

ARTICLE IV

Purchasers of an MPDU must occupy the MPDU as their primary residence during the Control Period. Purchasers of an MPDU, except for the Housing Opportunities Commission and other housing development agencies or non-profit corporations approved by the County Executive, are not permitted to lease or rent their MPDU to other parties during the Control Period. This restriction may be waived by the County to allow a temporary rental of the MPDU for good and sufficient cause. The MPDU must be rented in accordance with regulations established by the County Executive and Purchasers must receive prior written permission from the County to rent their MPDU temporarily. Purchasers will be required to extend the Control Period for a time equal to the length of time the MPDU is rented.

ARTICLE V

Declarant, its heirs, assigns, and successors, hereby irrevocably assigns, transfers, and conveys unto Montgomery County, Maryland all its right, title, interest, or obligation to enforce and maintain in full force and effect, the terms, conditions, and requirements of this Declaration of Covenants.

ARTICLE VI

The Declarant or Montgomery County, Maryland may enforce these Covenants by a proceeding, at law or in equity, against any person or persons violating or attempting to violate intentionally or otherwise, any covenant or restriction herein contained, either to restrain any violation hereof or to recover damages or monies, or to proceed against the land or the MPDUs to enforce any lien or obligation created by or resulting from these Covenants.

ARTICLE VII

These Covenants are binding upon the MPDUs, upon the Declarant and the MPDU Purchasers, upon the Declarant's and the MPDU Purchasers' heirs, successors, and assigns, and upon all transferees and transferors of the title to the MPDUs during the Control Period and until

the fulfillment of all other provisions contained herein including the payment required to be made to the Housing Initiative Fund under Article III.

ARTICLE VIII

The original deed of conveyance from the Declarant, its heirs, assigns or successors, and all subsequent transfers, assignments, and deeds of conveyance out by subsequent Purchasers of the MPDU, must, during the term of these Covenants, be a two-party deed that contains conspicuous language specifically reciting that the MPDU is subject to these Covenants and the requirements of Chapter 25A of the Montgomery County Code, 2004, and referencing the date of recordation of these Covenants among the land records of Montgomery County, including the Liber and Folio. Notice must also be included in any contract of sale for an MPDU that fully and completely discloses the rental and resale price restrictions and controls established herein. All subsequent Purchasers of an MPDU must likewise provide such notice in contracts of sale.

ARTICLE IX

These Covenants cannot be terminated, except by the expiration of the Control Period defined in Article II, any extension of the Control Period described in Article IV, or a foreclosure sale as provided in Article X, and the Montgomery County Department of Finance's receipt of the proper payment to the Housing Initiative Fund provided in Article III. After receiving the appropriate payment for the Housing Initiative Fund, a termination statement, executed by the County Executive of Montgomery County will be recorded among the land records of Montgomery County, Maryland.

ARTICLE X

If the MPDU is sold at a foreclosure sale, the restrictions contained in the Covenants will be terminated after the County receives the payment required to be made to the Housing Initiative Fund in accordance with the provisions of Chapter 25A of the Montgomery County Code, 2004, as amended, and all applicable Executive Regulations.

ARTICLE XI

If any default occurs and is continuing, the County may apply to any state or federal court having jurisdiction for specific performance of the Declaration of Covenants, for an injunction against any violation of this Declaration of Covenants, or for such other relief at law or equity as may be appropriate and consistent with applicable requirements of the Declaration of Covenants. No remedy conferred upon or reserved to the County by this Declaration of Covenants is intended to be exclusive of any other available remedy or remedies, but each and every such remedy is cumulative and is in addition to every other remedy given under this Declaration of Covenants, existing at law or in equity. No delay or omission to exercise any right or power accruing upon any failure to perform under this Article will impair any such right or power or will be construed to be a waiver thereof. If, upon or after the occurrence of any default

hereunder, the County incurs expenses for the enforcement or performance or observance of any obligation or agreement on the part of others contained herein, the County must be reimbursed upon demand by the party or parties for reasonable expenses paid to third parties.

ARTICLE XII

In the event any provision of this Declaration of Covenants shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

IN WITNESS WHEREOF, Declarant _____ has caused these presents to be executed by _____ its, _____, its corporate seal to be affixed hereto, and does appoint _____ its true and lawful attorney-in-fact to acknowledge and deliver these presents.

WITNESS:

DECLARANT:

STATE OF MARYLAND

COUNTY OF MONTGOMERY:

I HEREBY CERTIFY that on this _____ day of _____, 20____, personally appeared _____ (name), _____ (title) of _____ (Developer name) who is personally well known to me as the person named as attorney-in-fact as aforesaid, and by virtue vested in him as aforesaid, acknowledged the same to be the act and deed of _____, the Declarant herein, for the purposes herein contained.

WITNESS my hand and seal this _____ day of _____, 20____.
My Commission Expires:

Exhibit A
Property Description

THE PROPERTY: _____
(Subdivision Name)

This property was acquired by _____ on
(date).

The Deed is recorded at Liber _____ Folio _____.

Identify the MPDUs by LOT , BLOCK, PLAT NUMBER, PLAT BOOK, STREET ADDRESS,
and TAX ACCOUNT NUMBER or PARCEL IDENTIFYING NUMBER.

The Record Plat is recorded in Plat Book _____ at Plat Number _____

LOT	BLOCK	STREET ADDRESS	TAX NUMBER